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PP RUEAIIB ZNY CCCCC ZOC STATE ZZH STU1760 PP RUEHC DE RUMJGM #2188 1030410 ZNY CCCCC ZZH P 130330Z APR 82 FM AMEMBASSY COLOMBO TO SECSTATE WASHDC 4231 BT C O N F I D E N T I A L	TOR: 130542Z APR 82	~ -	25X1

LIMITED OFFICIAL USE COLOMBO 2188

DEPT PASS EC COLLECTIVE

E.O. 12065: N/A

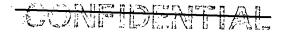
TAGS: ETRD, EAGR, CE, EC

SUBJ: SENATOR PERCY'S MEETING WITH EC AMBASSADORS IN COLOMBO

RE CORN GLUTEN FEED

REF: A) STATE 94667 B) COLOMBO 2134 C) STATE 96407

- 1. SUMMARY: SENATOR PERCY MET WITH COLOMBO-BASED EC CHEIFS-OF-MISSION APRIL 12, AND MADE STRONG STATEMENT AGAINST PROPOSED EC TARIFF QUOTA ON CORN GLUTEN FEED.
- 2. SENATOR CHARLES PERCY DISCUSSED CORN GLUTEN FEED PROBLEM APRIL 12 IN COLOMBO, SRI LANKA, WITH AMBASSADORS/CHARGES FROM FRG, FRANCE, UK, ITALY, AND NETHERLANDS. U.S. AMBASSADOR REED WAS ALSO IN ATTENDANCE. END SUMMARY.
- 3. PERCY PREFACED HIS REMARKS WITH A REVIEW OF HIS DWN HISTORY OF SUPPORT FOR FREE TRADE PRINCIPLES, AND OPPOSITION TO PROTECTIONISM -- FIRST AT BELL AND HOWELL, LATER IN THE U.S. SENATE -- AND HIS SUPPORT FOR THE EUROPEAN COMMON MARKET FROM ITS INCEPTION. HE WARNED, HOWEVER, OF PROTECTIONIST WAVE NOW SWEEPING U.S., AS EXEMPLIFIED BY DANFORTH BILL IN THE SEANATE, AND PROPOSAL BY SENATOR STEVENS TO WITHDRAW U.S. TROOPS FROM EUROPE IN RETALTATION AGAINST EUROPEAN TRADE BARRIERS.
- 4. TURNING TO CORN GLUTEN FEED, PERCY SAID THAT THE PROPOSED TARIFF QUOTA, IN EFFECT FREEZING U.S. CORN GLUTEN
 FEED EXPORTS TO THE EC AT CLOSE TO 1981 LEVELS, WOULD HAVE
 A DEVASTATING IMPACT IN HIS OWN HOME STATE OF ILLINOIS,
 WIGHE UNEMPLOYMENT IN SOME CORN-PRODUCING AREAS (E.G.,
 DISATUR) IS AS HIGH AS 17 PERCENT. EVEN MORE IMPORTANT,
 PROPOSED TARIFF QUOTA WOULD: A) PLAY INTO THE HANDS OF
 THAT IN U.S. WHO WOULD LIKE TO PURSUE MORE PROTECTIONIST
 POSITORISTS COULD POINT TO EC ACTION AS JUSTIFICATION
 FOR THEIR OWN MEASURES. PROPOSAL OF EC COMMISSION ALL THE
 MO UNWARRANTED, PERCY ADDED, IN VIEW OF THE FACT THAT
 Z-RD TARIFF ON CORN GLUTEN FEED HAD BEEN A BINDING CONCESSION BY THE EC IN THE MULTILATERAL TRADE NEGOTIATIONS.



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5. PERCY INFORMED EC REPS THAT HE HAD SENT CABLES RE THE ABOVE TO EC AMBASSADORS IN WASHINGTON, AND TO EC LEADERS DIRECTLY, BUT THAT FULL STRENGTH OF HIS FEELING ON THE SUBJECT COULD BE CONVEYED ONLY IN PERSON. EC REPS WERE NON-COMMITTAL IN EPLY, BUT INDICATED THEY WOULD PASS THE MESSAGE.

- 6. ACTION REQUESTED: SENATOR PERCY HAS ASKED THAT A COPY OF THIS MESSAGE BE PASSED TO HIS OFFICE (BILL CANIS).
- 7. DECONTROL ON RECEIPT.
 REED
 END OF MESSAGE

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